

Utah Money Management Council

350 N. State Street, Suite 180
P. O. Box 142315
Salt Lake City, Utah 84114-2315
(801) 538-1883 (801) 538-1465 Fax
mmcouncil@utah.gov



MONEY MANAGEMENT COUNCIL MEETING
THURSDAY DECEMBER 18, 2014
AT THE UTAH STATE TREASURER'S OFFICE
350 NORTH STATE STREET
SUITE 180
3:00 PM

A G E N D A

1. A) APPROVAL OF THE MINUTES OF THE OCTOBER 16, 2014 MEETING
B) APPROVAL OF MINUTES OF THE NOVEMBER 25, 2014 SPECIAL MEETING
2. MONTHLY AND QUARTERLY REPORTS
 - A) Division of Securities
 - i) Request for change to Affidavit
 - B) Department of Financial Institutions
 - i) Update on Tier 1 capital changes
 - C) Deposit and Investment report update
 - i) Reports with questions
3. DISCUSSION AND REVIEW OF AMENDMENTS TO THE ACT
4. OTHER BUSINESS AS NEEDED
5. SCHEDULE NEXT MEETING AND ADJOURN

In compliance with the Americans with Disabilities Act, individuals needing special accommodations during this meeting should notify Kathy Wilkey, Administrative Assistant, at Room 180 State Capitol Building, (801) 538-1468.

Mark D. Watkins, Chair
US Bank
170 South Main St., Ste 600
Salt Lake City, UT 84101
Phone (801) 534-6209
mark.d.watkins@usbank.com

Kirt Slauch, Vice Chair
Key Bank
36 S. State Street, Ste 2500
Salt Lake City UT 84111
Phone (801) 297-5717
kirt_w_slauch@keybank.com

John B. Bond
Weber County
2380 Washington Blvd., Ste 350
Ogden, UT 84401
Phone (801) 399-8007
jbond@co.weber.ut.us

Douglas L. DeFries
Bank of Utah
2605 Washington Blvd.
Ogden, UT 84401
Phone (801) 409-5175
ddefries@bankofutah.com

Marina Scott
Salt Lake City
451 S State Street, Rm 228
Salt Lake City, Utah 84111
Phone: 801-535-6565
marina.scott@slcgov.com

STATE MONEY MANAGEMENT COUNCIL-MINUTES
THURSDAY OCTOBER 16, 2014

The regular meeting of the State Money Management Council was held in the Offices of the Utah State Treasurer, 350 North State Street, Suite 180, at 3:00 p.m., Thursday October 16, 2014. In attendance were:

Mark Watkins, Chair
Kirt Slaugh, Vice Chair
John Bond
Ann Pedroza, Staff
Richard Ellis, State Treasurer
David Damschen, Deputy State Treasurer
Michael Green, Attorney General's Office
Tom Bay, Department of Financial Institutions
Michele Black, Securities Division
Benjamin Johnson, Securities Division
Shanell Johnson, Utah State University
Scott Burnett, Zions Capital Advisors
Jordan Hansen, Moreton Asset Management
Jamison Yardley, Amherst Pierpont Securities
Tami Tingey, Zions Capital Advisors

Minutes of September Meeting

The minutes of the September 18, 2014 meeting were approved unanimously.

Monthly Reports

Securities Division:

Ms. Black reviewed the lists with the Council noting that Pierpont Securities is now Amherst Pierpont Securities on the Certified Dealers list. On the Certified Investment Advisers list, Zions Wealth Advisors is now Zions Capital Advisors and they have added three new agents. Council reviewed the lists briefly.

Financial Institutions' Report:

Mr. Bay then reviewed the monthly report as of September month end noting that Holladay Bank and Trust is no longer on the reduced allotment. Gunnison Valley Bank's allotment usage is at 67% and is the only institution above 50%. Council asked that a reminder letter be sent out to Gunnison Valley Bank.

Late Deposit and Investment Report Update:

Ms. Pedroza noted for the Council that there are 45 reports that have not been filed for the June 2014 reporting period.

Reports with questions:

Ms. Pedroza briefly reviewed for the Council updates on the two entities that still had open questions on their reports.

Ranches Academy: Provided a copy of their swap agreement showing the information required in Rule 18, Council reviewed the document briefly.

Tuachan High School: Ms. Pedroza noted that the person that sold the annuity to this entity was a certified dealer. Ms. Pedroza has informed the public entity that they should ask for compensation, after a brief discussion the Council instructed that a letter be sent to the broker informing them that they are to compensate the charter school for interest during the time these funds were in the improper investment.

Acceptance of Reports:

It was motioned and seconded, and all of the above reports were accepted unanimously.

Discussion on Possible Amendments to the Act

Ms. Pedroza provided the drafted language based on discussion from September's meeting. Council discussed the language briefly with Mr. Ellis regarding the 2.5 year average and it was noted that it would be difficult to figure. Ms. Johnson from Utah State University stated that they would have to pay someone to provide that information. Council discussed this briefly. Mr. Ellis expressed that he is in favor of limiting maturity on agencies as no entity really has the ability to know out past five years that they will have a project they are funding with the exception of funding escrow accounts. Council discussed this briefly and agreed to leave the limit at 5 years and add language for escrow funding and remove the requirement of maintaining a 2.5 year average. Council then discussed how to deal with entities that are out over 5 years on securities when the change goes into effect next year. After further discussion, Council asked that language be drafted and added to require public entities with maturities out past 5 years to provide the Council with a plan for becoming compliant.

Discussion on UPMA letter

Mr. Watkins noted that the meeting would remain open. Mr. Green informed the Council that under the Open Meetings Act there has to be pending litigation to close the meeting and he was just going to education the Council concerning the points in the UPMA letter, so there is no need to close the meeting. Mr. Green then reviewed the issue as it stands noting that the Council had received a brochure for the UPMA and was informed that a public entity had briefly opened an account with the UPMA. After discussion regarding this in the last meeting, the Council sent a letter to UPMA. Mr. Hilton of UPMA responded with legal points regarding the Act and other laws. Mr. Green then reviewed with the Council the Money Management Act and the fact that the Species Legal Tender Act does not override the Act as described by Mr. Hilton. Mr. Green also noted that UPMA is not a financial institution so therefore cannot hold public funds on deposit. Mr. Green continued to review the letter and the Act noting that none of Mr. Hilton's points meet or supersede the Act. Mr. Ben Johnson noted that the UPMA does not meet the criteria of SEC Rules for money market funds. After further discussion Mr. Slauch asked what options were open to the Council. This was discussed briefly and it was stated the Council members would be willing to have the UPMA meet with the Council. Mr. Watkins directed that a time be polled for a special meeting in November and an invite be sent to UPMA.

Other Business

There was no other business.

Schedule Next Meeting

The Council then scheduled the next regular meeting for December 18, 2014 at 3:00 p.m. in the offices of the State Treasurer at 350 North State Street, Room 180 and noted that a time would be polled and set for a special meeting next month. With no other business before the Council, they adjourned at 4:12 p.m.

DRAFT

**SPECIAL MEETING OF THE STATE MONEY MANAGEMENT COUNCIL-MINUTES
TUESDAY NOVEMBER 25, 2014**

A special meeting of the State Money Management Council was held in the Offices of the Utah State Treasurer, 350 North State Street, Suite 180, at 3:00 p.m., Tuesday November 26, 2014. In attendance were:

Mark Watkins, Chair
Kirt Slaugh, Vice Chair
Doug DeFries
Ann Pedroza, Staff
David Damschen, Deputy State Treasurer
Michael Green, Attorney General's Office
Tom Bay, Department of Financial Institutions
Paul Allred, Department of Financial Institutions
Benjamin Johnson, Securities Division
Tim Irwin, UPMA
Abe Day, UPMA
Larry Hilton, UPMA

In attendance electronically:

John Bond
Brian Domitrovic, UPMC

Mr. Watkins noted that this was a special meeting to discuss issues with the United Precious Metals Association (UPMA) regarding their money market gold fund.

Mr. Watkins briefly explained what the Council's duties are with respect to the Money Management Act (the Act), public funds and public entities. He explained that departments in the state provide support and expertise in areas such as securities, financial institutions and legal issues. Mr. Watkins then noted that a letter was sent to UPMA outlining why UPMA cannot sell/open accounts to public entities in the State of Utah. UPMA responded and Council has asked them to sit down and discuss their response with them.

Mr. Hilton then explained the Specie Legal Tender Act and noted that gold and silver were expressly allowed in that law to be used for payment of taxes. After a brief description of how that law came about, Mr. Watkins asked that Mr. Hilton answer the questions of offering this fund to public treasurers. Mr. Hilton noted that in his letter, he informed the Council that the UPMA is a not for profit company and does not have to be registered with the SEC to sell its securities. Mr. Hilton then expressed that they are an issuer of a money market security and under §51-7-11 a public treasurer can purchase direct from an issuer. SEC Rule 2A-7 was discussed as to its requirement for a fund to qualify to be a "money market fund" and after further discussion it was noted by the Council and Mr. Johnson that the UPMA did not meet those requirements.

Mr. Hilton then discussed how they buy and sell gold and if the market fluctuates it does not affect their account. Mr. Slaugh noted that all public entities liabilities are denominated in US dollars. If a public treasurer has a different asset that fluctuates and this creates a liquidity problem, it would not be a prudent investment.

Council then discussed the Act and gold with Mr. Hilton at length. Mr. Allred explained to Mr. Hilton and the Council what a Financial Institution is and why the UPMA does not meet that criteria. Therefore, they cannot sell their product to a public entity because in order to become a qualified depository under the Act, they have to first be a financial institution. Mr. Hilton noted that they have re-applied to become a financial institution.

Council again discussed at length the risks and arbitrage issues with the UPMA, noting again that the fund does not meet the criteria of the Act. Mr. Watkins and Mr. Slauch noted that the Act would have to have changes made and the Council has not received requests to change for this issue. Mr. Hilton noted for the record that they have not solicited public entities.

After further discussion, Mr. Watkins noted that as far as public treasurers go, UPMA is not to open accounts for any public entities in the State of Utah.

Schedule Next Meeting

The Council then noted that the next regular meeting is scheduled for December 18, 2014 at 3:00 p.m. in the offices of the State Treasurer at 350 North State Street, Room 180. With no other business before the Council, they adjourned at 4:47 p.m.



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Current List Certified Dealer
DATE:	December 18, 2014

The following is the list of Certified Dealers and Agent(s) effective **December 18, 2014:**

Ameriprise Financial Services, Inc.

Agents:	Rex Baxter	7730 Union Park Avenue, Suite 300 Midvale, UT 84047
	Quin Gardner	" "
	Kim Isaacson	" "
	Daniel S. Nelsen	" "
	Bruce R. Wingrove	" "

Amherst Pierpont

Agents:	Jamison Yardley	299 South Main Street, Suite 1300 Salt Lake City, UT 84111
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Barclays Capital Inc.

Agents:	Peter Bjurstein	555 California Street, 30th Floor San Francisco, CA 94104
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BNP Paribas Securities Corp.

Agents:	Grant Gould	500 Capital Mall Sacramento, CA 95814
	Amit Ashok Jugal	2527 Camino Ramon San Ramon, CA 94583
	Alexandra Maria Linden	" "
	Paul Thomas Montaquila	" "
	Anthony Hoan Pham	" "
	Kari Prichard	" "
	W. Hampton B. Smith Jr.	787 7 th Avenue New York, NY 10019
	Dominic Aaron Wallace	2527 Camino Ramon San Ramon, CA 94583

DA Davidson & Co.

Agents: Hank Jenkins

John Pedersen

Traci Salinas

1600 Broadway, Suite 1100
Denver, CO 80202
7730 Union Park Avenue Suite 220
Midvale, UT 84047

“ ”

George K. Baum & Company

Agents: Susan P. Gardner

Joseph C. Higginbottom

Frederic H. Jones

Stephen L. Strong
Brett C. Turnbull

4801 Main Street, Suite 500
Kansas City, MO 64112
1400 Wewatta Street, Suite 800
Denver, CO 80202
15 West South Temple, #1090
Salt Lake City, UT 84101

“ ”

4801 Main Street, Suite 500
Kansas City, MO 64112

Goldman Sachs & Co.

Agents: Chris Trinkus

Joshua Levine
Shelby Buono

200 West Street 5th Floor
New York, NY 10282

“ ”
“ ”

Incapital LLC

Agents: William H. Money III

Marcus Nield

299 South Main Street, Suite 1317
Salt Lake City, UT 84111

“ ”

LPL Financial LLC

Agents: Craig P. Adams

Stephen H. Beierlein

Stewart Campbell

Jordan Curtis

Timothy W. Floyd

Chad D. Waddoups

5929 South Fashion Pointe Drive, Suite 204
Ogden, UT 84403
5929 South Fashion Point Drive
Ogden, UT 84403
298 N. Market Place Drive
Centerville, UT 84014
455 East 40th Street
South Ogden, UT 84403
2104 West Sunset Boulevard
St. George, UT 84770
7181 South Campus View Drive
West Jordan, UT 84084

Morgan Stanley

Agents:	Cody Adams	60 East South Temple 20 th Floor Salt Lake City, UT 84111
	Paul Barton	6510 S. Millcreek Drive, Suite 100 Holladay, UT 84121
	Deidre M. Cortney	3033 East 1 st Avenue, Suite 820 Denver, CO 80206
	Johnthomas L. Cumbow	50 North Laura Street, Suite 2000 Jacksonville, FL 32202
	Douglas Felt	60 E. South Temple Salt Lake City, UT 84111
	Phil Fonfara	1101 5 th Avenue San Rafael, CA 94901
	John Hallgren	60 East South Temple Salt Lake City, UT 84111
	Thomas E. Nielson	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121
	John R. Ott	1101 5 th Avenue San Rafael, CA 94901
	Brian Parcell	60 E. South Temple Salt Lake City, UT 84111
	Angela Leach Pizzichini	3033 East 1 st Avenue, Suite 820 Denver, CO 80206
	Joseph A. Ranucci	50 North Laura Street, Suite 2000 Jacksonville, FL 32202
	F. Barton Reuling	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121
	Kenneth Webster	6510 S. Millrock Drive, Suite 100 Holladay, UT 84121

Raymond James & Associates, Inc.

Agents:	Mark McKinnon	2825 East Cottonwood Parkway, Suite 500 Salt Lake City, UT 84124
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RBC Capital Markets, LLC

Agents:	Eric Ajlouny	345 California Street San Francisco, CA 94104
	Scott Chappell	299 S. Main Street Suite 2000 Salt Lake City, UT 84111-2280
	Walter Hall	345 California, 29 th Floor San Francisco, CA 94104

RBC Capital Markets, LLC cont.

Agents: Ronald N. Mason

Brent Peterson

Patrick Porter

John Styrbicki

Sam Vetas

Michael Zetahmeyer

299 South Main Street, Suite 2000

Salt Lake City, UT 84111

805 SW Broadway, Suite 1800

Portland, OR 97205

299 South Main Street, Suite 2000

Salt Lake City, UT 84111

60 South 6th Street

Minneapolis, MN 55402

299 South Main Street, Suite 2000

Salt Lake City, UT 84111-2280

60 South 6th Street

Minneapolis, MN 55402

Robert W. Baird & Co. Incorporated

Agents: Donald Eckstein

Dean R. Cottle

4017 Hillsboro Pike Suite 403

Nashville, TN 37215

222 South Main Street, Suite 1840

Salt Lake City, UT 84101

UBS Financial Services Inc.

Agents: Don M. Bunnell

Barry B. Bowen

John Doke

Matthew J. Hufford

Fred C. Luedke

Jim Madden

Nat Mosley

Christopher Soutas

299 South Main, Suite 2100

Salt Lake City, UT 84111

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100 Crescent Court, Suite 600

Dallas, TX 75201

299 South Main, Suite 2100

Salt Lake City, UT 84111

100 Crescent Court, Suite 600

Dallas, TX 75201

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"

299 South Main, Suite 2100

Salt Lake City, UT 84111

Wells Fargo Advisors LLC

Agents: R. Dane Bradshaw

Josh G. Burgon

Daniel Payne

6550 South Millrock Drive #G50

Holladay, UT 84121

"

"

201 South Main Street, Suite 160

Salt Lake City, UT 84101

Wells Fargo Advisors LLC cont.

Agents: David Payne
Timothy Payne

" "

Wells Fargo Securities LLC

Agents: Benjamin Byington

299 South Main Street
Salt Lake City, UT 84111

Thomas Degenaars
Brandon Hodge
Larry Lundberg

" "

Chandos Robertson

1445 Ross Avenue
Dallas, TX 75202
299 South Main Street
Salt Lake City, UT 84111

Ryan Stoker
Randy Church

" "

Zions Bank Capital Markets

Agents: Jacqueline Davies

One South Main Street, 17th Floor
Salt Lake City, UT 84133

Neil Decker
Wendy Jones
Brad Mayeda
Daniel Ricks
Ty Roberts
Ben Sehy
Kathy Sullivan
Christopher J. Tyler

" "

Zions Direct, Inc.

Agents: Jacqueline Davies

One South Main Street, 17th Floor
Salt Lake City, UT 84133

Neil Decker
Wendy Jones
Brad Mayeda
Daniel Ricks
Ty Roberts
Ben Sehy
Kathy Sullivan
Christopher J. Tyler

" "



GARY R. HERBERT
Governor

SPENCER J. COX
Lieutenant Governor

State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Additions to the Certified Dealer List
DATE:	December 18, 2014

The following agents and firms have been added to the existing list for conducting investment transactions with public treasures pursuant to rule 16 of the State Money Management Council.

Goldman, Sachs & Co.

Agents: Joshua Levine
Shelby Buono

LPL Financial LLC

Agents: Stewart Campbell
Jordan Curtis



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Lieutenant Governor

State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Additions to the Certified Investment Adviser List
DATE:	December 18, 2014

The following agents and firms have been added to the existing list for conducting investment transactions with public treasures pursuant to rule 15 of the State Money Management Council.

PFM Asset Management LLC

Investment Adviser

Representatives: Richard Babbe
Emily Ferguson



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Lieutenant Governor

State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Current List Certified Investment Adviser
DATE:	December 18, 2014

The following is the list of Certified Investment Advisers and Investment Adviser Representative(s) effective December 18, 2014:

AllianceBernstein L.P.
Investment Adviser
Representatives:

Joseph E. Brienza	1225 17 th Street, Suite 2900	
	Denver, CO 80202	
Jeffrey F. Jagard	"	"
John Robb	"	"

Cutwater Asset Management
Investment Adviser

Representatives:	Mary Donovan	1331 17 th Street, Suite 602	
		Denver, CO 80290	
	Chris Nebenzahl	"	"
	David Witthohn	"	"

Moreton Asset Management, LLC
Investment Adviser

Representatives:	Jordan C. Hansen	709 East South Temple	
		Salt Lake City, UT 84102	
	Andrew J. Robbins	"	"
	Jason M. Williams	"	"

Morgan Stanley
Investment Adviser

Representatives:	Cody C. Adams	60 South Temple	
		Salt Lake City, UT 84111	

Morgan Stanley cont.**Investment Adviser**

Representatives:	Paul Barton	6510 Millcreek Drive, Suite 100 Holladay, UT 84121
	Douglas Felt	60 South Temple Salt Lake City, UT 84111
:	John Hallgren	60 East South Temple Salt Lake City, UT 84111
	Thomas E. Nielson	" "
	Brian Parcell	60 East South Temple Salt Lake City, UT 84111
	F. Bart Reuling	6510 Millcreek Drive, Suite 100 Holladay, UT 84121
	Kenneth Webster	6510 Millcreek Drive, Suite 100 Holladay, UT 84121

PFM Asset Management LLC**Investment Adviser**

Representatives:	Richard Babbe	50 California Street Suite 2400 San Francisco, CA 94111
	Lauren Brant	1400 16 th Street, Suite 400 Denver, CO 80202
	Christopher Blackwood	" "
	Emily Ferguson	1400 16 th Street Suite 400 Denver, CO 80202

Soltis Investment Advisors, LLC**Investment Adviser**

Representatives:	Hal G. Anderson	20 N. Main Street, Suite 400 St. George, UT 84770
	Kim D. Anderson	" "
	Jeffrey T. Brimhall	3400 Ashton Boulevard, Suite 410 Lehi, UT 84043
	Tyler J. Finlinson	20 N. Main Street, Suite 400 St. George, UT 84770
	Brent D. Moore	3400 Aston Boulevard, Suite 410 Lehi, UT 84043
	James G. Shumway	915 South 500 East #110 American Fork, UT 84003
	Clark V. Taylor	20 N. Main Street, Suite 400 St. George, UT 84770
	William W. Wallace	3400 Ashton Boulevard, Suite 410 Lehi, UT 84043
	Tyler K. Wilkinson	20 N. Main Street, Suite 400 St. George, UT 84770

Zions Capital Advisors, Inc.

Investment Adviser

Representatives:

Greg Aiken

One South Main Street, 12th Floor
Salt Lake City, UT 84133

Christopher M. Beesley

180 No. University Avenue, Suite 140
Provo, UT 84106

Ben Blake

903 East Draper Parkway
Draper, UT 84020

Scott R. Burnett

One South Main Street, 12th Floor
Salt Lake City, UT 84133

Charlotte Carlsen

"

"

Jay Edgington

"

"

Charles D. Erb

One South Main, 17th Floor
Salt Lake City, UT 84133

Gary Mark Hill

One South Main Street, 12th Floor
Salt Lake City, UT 84133

Matthew R. Johnson

"

"

Calob Johnston

40 East Street

St. George, UT 84770

Brian Moore

One South Main Street, 12th Floor
Salt Lake City, UT 84113

David Shipley

180 North University Avenue, Suite 140
Provo, UT 84601

Tami Tingey

One South Main Street
Salt Lake City, UT 84133

Diane Veltri

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David Warne

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State of Utah
Department of Commerce
Division of Securities

FRANCINE A. GIANI
Executive Director

KEITH WOODWELL
Director, Division of Securities

TO:	Money Management Council
FROM:	Michele Black, Division of Securities
RE:	Deletions List Certified Dealer
DATE:	December 18, 2014

The following agents and firms have been deleted from the existing list for conducting investment transactions with public treasures pursuant to rule 16 of the State Money Management Council.

RBC Capital Markets, LLC

Agents: Eddie Barber Jr.
Russ Tobler
Tracy Maltby

Summary Tables Comparing the Current Rule With the New Rule

The remaining aspects of the new capital rule are summarized in the following tables. Table 3 covers minimum capital ratios, capital buffers, PCA, and a regulatory capital components comparison. Table 4 provides comparison of the risk weights by asset category.

Table 3: Comparison of the Components of the Current Rule With the New Rule

	Current General Risk-Based Capital Rule	New Capital Rule	Section
Minimum regulatory capital ratios			
Common equity tier 1 capital / RWA	N/A	4.5%	Subpart B, §.10
Tier 1 capital / RWA	4%	6%	
Total capital / RWA	8%	8%	
Leverage ratio	4% (or 3%)	4%	
Capital buffers			
Capital conservation buffer	N/A	Capital conservation buffer equivalent to 2.5% of risk-weighted assets; composed of common equity tier 1 capital	Subpart B, §.11
Prompt corrective action levels: Common equity tier 1 capital ratio			
Well capitalized	N/A	≥ 6.5%	See footnote ³
Adequately capitalized	N/A	≥ 4.5%	
Undercapitalized	N/A	< 4.5%	
Significantly undercapitalized	N/A	< 3%	
Prompt corrective action levels: Tier 1 capital ratio			
Well capitalized	≥ 6%	≥ 8%	See footnote ³
Adequately capitalized	≥ 4%	≥ 6%	
Undercapitalized	< 4%	< 6%	
Significantly undercapitalized	< 3%	< 4%	
Prompt corrective action levels: Total capital ratio			
Well capitalized	≥ 10%	≥ 10%	See footnote ³
Adequately capitalized	≥ 8%	≥ 8%	
Undercapitalized	< 8%	< 8%	
Significantly undercapitalized	< 6%	< 6%	

³ PCA regulations are found in the following locations: 12 CFR Part 6 for banking organizations supervised by the OCC; Subpart D of Regulation H (12 CFR Part 208), §.208.41 for banking organizations supervised by the Federal Reserve; and 12 CFR Part 324, subpart H for banking organizations supervised by the FDIC.

6/30/14
Late D&I Reports
As of 12/18/14

East Garland Cemetery-6/11
Hyde Park Cemetery-12/13
Willard Cemetery-12/13

Utah League of Cities & Towns-12/13
Emery County Housing Authority-12/13
UAMPS-12/13

Carbon S/D-12/13
Tintic S/D-6/13

Beaver Dam Village SS Dist-12/12
Fruitland Water Imp Dist-12/12
Grand Co SS Rec Dist-12/13
Iron Co SS Dist #3-12/12
Millard Co SS Dist #8-12/13
North Sanpete Ambulance Service-6/13
Peoa Recreation SS Dist-12/13
Pinon Forest SS Dist-12/12
Sevier Co SS Dist #1-12/13
Thompson SS Dist-12/13
White Hills SS Dist-12/08

Circleville Town-6/13
Cornish Town-12/13
Kanosh Town-12/13
Leeds Town-12/13
Lyman Town-12/13

Utah College of AT-12/13

Bluff Water Works SS Dist-6/12
Box Elder Co Serv Area #2-6/12
Bristlecone Wtr Imp Dist-6/12
Cache Co Drain Dist #5-12/13
Hansel Valley Wtrshd Dist-6/13
Iowa String Drain Dist-12/13
Long Valley Sewer Imp Dist-12/13
Mapleton Irrigation Co-6/10
Millard Co Drain Dist#4-6/13
Weber Co Serv Area #5-6/13

Aristotle Academy-12/13
Freedom Academy-12/13
Noah Webster Academy-12/13
Open Classroom-12/13
Spectrum Academy-12/13
Utah Virtual Academy-12/13



Ann Pedroza <apedroza@utah.gov>

RE: Council letter

1 message

Tim Floyd <tfloyd@macu.com>

Mon, Dec 15, 2014 at 4:04 PM

To: Ann Pedroza <apedroza@utah.gov>

I spoke with Kent Brown today and we agreed that the rate of the term deposit for that period is the rate we will give them. We will figure the amount and get this taken care of.

Tim

From: Ann Pedroza [mailto:apedroza@utah.gov]

Sent: Monday, December 15, 2014 12:31 PM

To: Tim Floyd

Subject: Re: Council letter

Mr. Floyd:

Just following up, Council would like to know the status for their meeting on Thursday.

Ann Pedroza, Staff

Utah Money Management Council

On Tue, Dec 9, 2014 at 2:52 PM, Tim Floyd <tfloyd@macu.com> wrote:

Thank you. I am in the Las Vegas office today and will get on this when I get in my office in St George tomorrow

From: Ann Pedroza [mailto:apedroza@utah.gov]

Sent: Tuesday, December 09, 2014 1:51 PM

To: Tim Floyd

Subject: Council letter

Mr. Floyd:

I contacted Mr. Brown and he had your e-mail address, so here is the letter.

Thanks,

Ann Pedroza, Staff



Tim Floyd
Wealth Advisor, Investment Services
+1 435-628-5600 *tel*
tfloyd@macu.com
<https://www.macu.com/>

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Wealth Advisor, Investment Services
+1 435-628-5600 *tel*
tfloyd@macu.com
<https://www.macu.com/>

[51-7-9.5. State School Fund report.

~~_____ (1) The state treasurer shall prepare a report at the end of each fiscal year on the State School Fund created in Utah Constitution Article X, Section 5.~~

~~_____ (2) The report shall include the following information:~~

~~_____ (a) the name of each asset within the fund and the fair market value of each asset as of June 30;~~

~~_____ (b) the amount and date of each contribution to the fund during the fiscal year;~~

~~_____ (c) a balance sheet for the most recently completed fiscal year and the previous fiscal year;~~

~~_____ (d) the fund's internal rate of return for the previous year, three years, and five years;~~

~~_____ (e) a summary of the asset allocation policy for the fund;~~

~~_____ (f) a description of the fund income, including amounts distributed and amounts retained; and~~

~~_____ (g) expenses in dollars and as a percent of fund assets. _____~~

~~(3) The state treasurer shall submit the report to the Education Interim Committee by October 1 of each year.]~~

51-7-11. Authorized deposits or investments of public funds.

(1) (a) Except as provided in Subsections (1)(b) and (1)(c), a public treasurer shall conduct investment transactions through qualified depositories, certified dealers, or directly with issuers of the investment securities.

(b) A public treasurer may designate a certified investment adviser to make trades on behalf of the public treasurer.

(c) A public treasurer may make a deposit in accordance with Section **53B-7-601** in a foreign depository institution as defined in Section **7-1-103**.

(2) The remaining term to maturity of the investment may not exceed the period of availability of the funds to be invested.

(3) Except as provided in Subsection (4), all public funds shall be deposited or invested in the following assets that meet the criteria of Section **51-7-17**:

(a) negotiable or nonnegotiable deposits of qualified depositories;

(b) qualifying or nonqualifying repurchase agreements and reverse repurchase agreements with qualified depositories using collateral consisting of:

(i) Government National Mortgage Association mortgage pools;

(ii) Federal Home Loan Mortgage Corporation mortgage pools;

(iii) Federal National Mortgage Corporation mortgage pools;

(iv) Small Business Administration loan pools;

(v) Federal Agriculture Mortgage Corporation pools; or

(vi) other investments authorized by this section;

(c) qualifying repurchase agreements and reverse repurchase agreements with certified dealers, permitted depositories, or qualified depositories using collateral consisting of:

(i) Government National Mortgage Association mortgage pools;

(ii) Federal Home Loan Mortgage Corporation mortgage pools;

(iii) Federal National Mortgage Corporation mortgage pools;

(iv) Small Business Administration loan pools; or

(v) other investments authorized by this section;

(d) commercial paper that is classified as "first tier" by two nationally recognized statistical rating organizations, which has a remaining term to maturity of:

(i) 270 days or fewer for paper issued under 15 U.S.C. Sec. 77c(a)(3); or

(ii) 365 days or fewer for paper issued under 15 U.S.C. Sec. 77d(2);

(e) bankers' acceptances that:

(i) are eligible for discount at a Federal Reserve bank; and

(ii) have a remaining term to maturity of 270 days or fewer;

(f) fixed rate negotiable deposits issued by a permitted depository that have a remaining term to maturity of 365 days or fewer;

(g) obligations of the United States Treasury, including United States Treasury bills, United States Treasury notes, and United States Treasury bonds whose final maturity may not exceed 5 years from the date of purchase, unless the funds being invested are pledged or otherwise dedicated to the payment of interest and principal of debt service on bond or note issues or funds used for escrow purposes;

(h) obligations other than mortgage pools and other mortgage derivative products issued by, or fully guaranteed as to principal and interest by, the following agencies or instrumentalities of the United States in which a market is made by a primary reporting government securities dealer, unless the agency or instrumentality has become private and is no longer considered to be a government entity:

(i) Federal Farm Credit banks;

(ii) Federal Home Loan banks;

(iii) Federal National Mortgage Association;

(iv) Federal Home Loan Mortgage Corporation;

(v) Federal Agriculture Mortgage Corporation; and

(vi) Tennessee Valley Authority and;

(A) whose remaining maturity shall not exceed 5 years from the date of purchase, unless the funds being invested are pledged or otherwise dedicated to the payment of interest and principal of debt service on bond or note issues or funds used for escrow purposes.

(i) fixed rate corporate obligations that:

(i) are rated "A" or higher or the equivalent of "A" or higher by two nationally recognized statistical rating organizations;

(ii) are senior unsecured or secured obligations of the issuer, excluding covered bonds;

(iii) are publicly traded; and

(iv) have a remaining term to final maturity of 15 months or less or are subject to a hard put at par value or better, within 365 days;

(j) tax anticipation notes and general obligation bonds of the state or a county, incorporated city or town, school district, or other political subdivision of the state, including bonds offered on a when-issued basis without regard to the limitations in Subsection (7) and;

(i) whose remaining maturity shall not exceed 5 years from the date of purchase, unless the funds being invested are pledged or otherwise dedicated to the payment of interest and principal of debt service on bond or note issue or funds used for escrow purposes;

(k) bonds, notes, or other evidence of indebtedness of a county, incorporated city or town, school district, or other political subdivision of the state that are payable from assessments or from revenues or earnings specifically pledged for payment of the principal and interest on these obligations, including bonds offered on a when-issued basis without regard to the limitations in Subsection (7); and:

(i) whose remaining maturity shall not exceed 5 years from the date of purchase, unless the funds being invested are pledged or otherwise dedicated to the payment of interest and principal of debt service on bond or note issue or funds used for escrow purposes;

(l) shares or certificates in a money market mutual fund;

(m) variable rate negotiable deposits that:

(i) are issued by a qualified depository or a permitted depository;

(ii) are repriced at least semiannually; and

(iii) have a remaining term to final maturity not to exceed three years;

(n) variable rate securities that:

(i) (A) are rated "A" or higher or the equivalent of "A" or higher by two nationally recognized statistical rating organizations;

(B) are senior unsecured or secured obligations of the issuer, excluding covered bonds;

(C) are publicly traded;

(D) are repriced at least semiannually; and

(E) have a remaining term to final maturity not to exceed three years or are subject to a hard put at par value or better, within 365 days;

(ii) are not mortgages, mortgage-backed securities, mortgage derivative products, or a security making unscheduled periodic principal payments other than optional redemptions; and

(o) reciprocal deposits made in accordance with Subsection **51-7-17(4)**.

(4) The following public funds are exempt from the requirements of Subsection (3):

(a) the Employers' Reinsurance Fund created in Section **34A-2-702**;

(b) the Uninsured Employers' Fund created in Section **34A-2-704**;

(c) a local government other post-employment benefits trust fund under Section **51-7-12.2**; and

(d) a nonnegotiable deposit made in accordance with Section **53B-7-601** in a foreign depository institution as defined in Section **7-1-103**.

(5) If any of the deposits authorized by Subsection (3)(a) are negotiable or nonnegotiable large time deposits issued in amounts of \$100,000 or more, the interest shall be calculated on the basis of the actual number of days divided by 360 days.

(6) A public treasurer may maintain fully insured deposits in demand accounts in a federally insured nonqualified depository only if a qualified depository is not reasonably convenient to the entity's geographic location.

(7) Except as provided under Subsections (3)(j) and (k), the public treasurer shall ensure that all purchases and sales of securities are settled within:

(a) 15 days of the trade date for outstanding issues; and

(b) 30 days for new issues.

(8) Within two months the effective date of the change to the maturity date of government, agency and municipal securities, public treasurers who have securities that mature beyond the 5 year limit shall provide the Council with a reasonable plan to dispose of these securities.



MMCOUNCIL Treasurer <mmcouncil@utah.gov>

Rule 4: Bonding of Public Treasurers

1 message

Sonya White <sonya@ucip.utah.gov>

Wed, Dec 10, 2014 at 7:19 PM

To: apedroza@utah.gov, mmcouncil@utah.gov

Cc: Johnnie Miller <jmiller@ucip.utah.gov>, "Adams, Bruce" <bbadams@sanjuancounty.org>, "Dee, Brad" <bdee@co.weber.ut.us>

Money Management Council,

The Utah Counties Indemnity Pool (UCIP) is requesting that consideration is made to amend Rule R628-4. Bonding of Public Treasurers, of the State Money Management Act, to conform to Utah Code Ann. §17-16-11 et. seq.

In 1992, the Utah Counties Indemnity Pool was formed pursuant to the provisions of the Utah Interlocal Cooperation Act, Utah Code Ann. §11-13-101 et. seq., as a governmental entity within the scope of

the Utah Governmental Immunity Act, Utah Code Ann. §63G-7-101 et. seq., and recognized as a Public Entity Insurance Mutual under the Utah Insurance Code, Utah Code Ann. §31A-1-103 et. seq. UCIP is a risk sharing arrangement among Utah County Governments and other eligible public agencies that are parties to the UCIP Interlocal Cooperation Agreement.

UCIP provides crime coverage for its members (county officials and county employees). Member counties legislative body has determine crime insurance to be acquired for the county officials, which includes the county treasurers. The statute reads that: *the county legislative body determines a general fidelity bond or theft or crime insurance should be acquired for the listed "county officials"*. Currently, Rule 4.2 of the Act refers only to a Fidelity Bond and does not include Theft or Crime Insurance. Also, Rule 4.2 of the Act states that bonds must be issued by a corporate surety licensed to do business in the state of Utah and having a current AM Best Rating of "A" or better. UCIP is a Public Entity Insurance Mutual and is not required to be rated by AM Best.

UCIP's crime coverage limit for county officials and county employees is \$2,750,000. This limit complies with the Council's prescribed amount of a "bond" based on the Budgeted Gross Revenues (Rule 4.3) of UCIP's largest member.

In an effort to alleviate confusion and public funds being expended on a separate bond when crime insurance is already acquired, the Council's review of this discrepancy is greatly appreciated.

We look forward to hearing from you.

Sonya White

Chief Financial Officer

Utah Counties Indemnity Pool

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